

**STATEMENT OF PURPOSE****RS21660**

The Federal Trade Adjustment Assistance Extension Act of 2011 (Public Law 112-40) requires states to amend their unemployment insurance law to impose a monetary penalty on benefit claimants whose fraudulent acts result in overpayments; to require the first 15% of an assessed civil penalty to be paid into the Employment Security Fund; to prohibit employers from being relieved from charges to their unemployment insurance accounts when their actions lead to improper benefit payments; and to amend the definition of "rehire" in the State Directory of New Hires to include individuals previously employed by the employer who were separated from that employer for at least 60 consecutive days prior to reemployment.

**FISCAL NOTE**

There is no fiscal impact to local government funds.

The Office of the State Controller has reviewed the bill and determined that modifying the Controller's computer to accommodate the change in rehire reporting will cost \$2,000 to \$5,000.

The requirement to deposit into the Employment Security Fund of 15% of civil penalties imposed on benefits collected due to fraud or misstatement of fact will reduce revenue to the Department's Penalty and Interest Fund by \$460,000 a year.

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**Statement of Purpose / Fiscal Note****H0044**